



## INFOCARD ELANBiz Mexico's Trade Agreements

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Mexico has a network of 12 Free Trade Agreements with 46 countries, 32 Reciprocal Investment Promotion and Protection Agreements (RIPPAs) and 9 trade agreements (Economic Complementation and Partial Scope Agreements) within the framework of the Latin American Integration Association (ALADI).<sup>1</sup>

In addition, Mexico is an active participant in multilateral and regional organisms such as the World Trade Organization (WTO)<sup>2</sup>, the Asia-Pacific Economic Cooperation (APEC)<sup>3</sup>, and the Organization for the Economic Cooperation and Development (OECD)<sup>4</sup>.

### Europe

Mexico is connected to the region by:

- 1 Strategic Partnership with the EU.
- 2 Free Trade Agreements with the EU and EFTA.
- 18 Agreements for the Reciprocal Promotion and Protection of Investments with Germany, Austria, Belarus, Benelux, Denmark, Slovakia, Spain, Finland, France, Greece, Italy, Portugal, United Kingdom, Czech Republic, Sweden, and Switzerland. The Agreement with Turkey is in the process of entering into force.
- 2 Agreements on Economic and Commercial Cooperation with Turkey and Ukraine.
- 3 Agreements on Agriculture with Iceland, Norway and Switzerland.
- 3 Letters of Intent on Industrial Cooperation, Raw Materials, and Small and Medium-Sized Enterprises with the EU.
- 3 Memorandums of Understanding with Ukraine, Portugal, and Switzerland.

<sup>1</sup> [Ministry of Economy- International Trade Negotiations](#)

<sup>2</sup> WTO: <https://www.wto.org/>

<sup>3</sup> APEC: <http://www.apec.org/>

<sup>4</sup> OECD: <http://www.oecd.org/>



**Trade Agreement with the European Union:** this preferential agreement has liberalized trade in all industrial goods (and most of the agricultural ones), and improved market access conditions to either market for Mexican and European exporters.

The agreement covers: **the progressive and reciprocal liberalization of trade in goods and services, the opening of public procurement for the parties, the protection of intellectual property rights**, co-operation in the field of competition and the establishment of a dispute settlement mechanism.

For more information see: ELANBiz Infocard [Trade Agreement UE-Mexico](#)

## North America

Mexico is connected to the region through one of its most important free trade agreements: the North America Free Trade Agreement (NAFTA).

**North America Free Trade Agreement (NAFTA):** it links Mexico with the economies of the United States of America and Canada, creating a market of nearly 482 million consumers. The region produces 19 trillion dollars and is estimated to represent 28% of the world's GDP. Since the treaty came into force, trade between members has more than tripled. Current trades amounts to 946.1 billion US dollars.<sup>5</sup>

Mexico is the second largest supplier for the USA and the third for Canada. Over half of the members' exports are destined to another NAFTA partner. As for tariff barriers, some products from the agricultural, automotive, and apparel sectors remain subjected to special rules. There are also special commitments regarding telecommunications and financial services.<sup>6</sup>

Currently the modernization of the free trade agreement between Mexico-United States-Canada is taking place, due to the challenges of the economy of the 21<sup>st</sup> century, how to meet and extend the benefits of the free trade and global integration into other sectors which are in need of a growth opportunity.

This march 2018 the seventh negotiation round took place where the chapters of good regulatory practices, transparency, sanitary and phytosanitary measures, in addition to the annexes on the matter of formulas, patents and chemical substances were finalised. After seven months of work, six chapters in terms of pre-approved small and medium-sized enterprises, economic competition and anti-bribery have been completed. It is expected that to complete the negotiation it will be necessary to close more than 30 chapters.

<sup>5</sup> ProMéxico- [Mexico's Strengths](#)

<sup>6</sup> North American Trade Agreement – [The Agreement](#)



## Latin America and the Caribbean

Mexico is connected to the region through:

- 5 Free Trade Agreements with Colombia, Panama, Costa Rica, Chile, Central America, (homogenized FTAs with El Salvador, Guatemala, Honduras, and Nicaragua) and Uruguay.
- 8 Agreements within the framework of ALADI:
  - 6 Economic Complementation Agreements with Argentina, Bolivia, Brazil, Cuba, and Mercosur.
  - 2 Partial Scope Agreements with Ecuador and Paraguay.
- 5 Investment Promotion and Protection Agreements with Argentina, Cuba, Panama, Uruguay and Trinidad & Tobago.
- 1 Trade Integration Agreement with Peru.

**Pacific Alliance**<sup>7</sup>: integrates the Colombian, Peruvian, Mexican, and Chilean economies. The main objective is to deepen the integration of services, capitals, investments, and movement of persons. The region has an estimated population level of 214 million people, with an average GDP *per capita* of 16,500 US dollars (in terms of purchasing power parity), making it the eighth largest economy in the world. The Alliance represents half of Latin America's total trade and attracts 45% of the region's foreign direct investment.<sup>8</sup>

## Asia-Pacific

México is linked to the region through its membership to the Asia-Pacific Economic Cooperation (APEC) and the Trans-Pacific Agreement, as well as:

- 4 Reciprocal Investment Promotion and Protection Agreements with China, Korea, India, and Singapore.
- 2 Free Trade Agreements with Israel and Japan.

**Asia-Pacific Economic Cooperation (APEC)**<sup>9</sup>: “its 21 members’ economies are home to around 2.8 billion people and represent approximately 57% of the world’s GDP and 47% of world trade in 2012. The Trade Facilitation Action Plan that includes streamlining customs procedures reached its target of region-wide reduction in costs at the border by 5% between 2004 and 2006.

<sup>7</sup> Pacific Alliance: <https://alianzapacifico.net/en/#home>

<sup>8</sup> What is the Pacific Alliance?

<sup>9</sup> APEC- [Achievements and Benefits](#).



A further 5% decrease was achieved between 2007 and 2010. Starting a company in the Asia-Pacific region is also simpler with the number of procedures falling by 20.2% since 2009. Finally with the “Single Window” program, APEC economies have centralized export-import processes online, accelerating the time it takes for goods to travel across borders”.

**Comprehensive and Progressive Agreement for Trans-Pacific Partnership:** Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), it is a free trade agreement reached by the remaining 11 countries of the Trans-Pacific Partnership (TPP) following the decision of the U.S. to leave the partnership, in search of giving it effect.

That is why the 11 remaining countries, agreed on the value of maximizing the benefits of the TPP, maintaining the market access level achieving but at the same time suspending the application of a limited number of provisions related to the rules which were introduced by the U.S., with the intention to serve as incentives for an eventual return of this country.

In such a way, the CPTPP is a new partnership which incorporates the contents of the TPP, with the exception for a list of provisions, which for the time being shall remain suspended.

The TPP has for main characteristics:

1. **Improves the market access:** eliminates or reduces the customs barriers in six new markets and strengthens the benefits that we already have in five countries with which the partnership has already been signed.
2. **Address the new commercial challenges:** promotes the innovation, the productivity and the competitiveness.
3. **Inclusive trade:** incorporate new elements to assure that economies of any level of development and the companies of any size, particularly small and medium sized enterprises (SMEs), can benefit from the trade.
4. **Platform for regional integration:** it seeks to strengthen the productive linkage and that other economies eventually become integrated.

## List of Trade Agreements

### Enforced



Name of the Agreement	Country	Region	Date of entry in force
<a href="#">NAFTA</a>	United States of America	North America	01 January 1994
<a href="#">FTA Mexico-Chile</a>	Chile	Latin America and the Caribbean	01 August 1999
<a href="#">FTA Mexico-Colombia</a>	Colombia	Latin America and the Caribbean	01 January 1995
<a href="#">FTA Mexico-Centro America</a>	Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua	Latin America and the Caribbean	Guatemala/Mexico: 01 September 2013 Costa Rica/Mexico: 01 July 2013 Honduras/Mexico: 01 January 2013 01 El Salvador/Mexico: September 2012
<a href="#">FTA Mexico-Panama</a>	Panamá	Latin America and the Caribbean	01 July 2015
<a href="#">FTA Mexico-Uruguay</a>	Uruguay	Latin America and the Caribbean	15 July 2014
<a href="#">FTA Mexico-Israel</a>	Israel	Asia	01 July 2001
<a href="#">FTA Mexico-Japan</a>	Japan	Asia	01 April 2005
<a href="#">FTA Mexico-AELC</a>	Iceland, Liechtenstein, Norway, Switzerland	Europe	01 July 2001
<a href="#">FTA Mexico-European Union</a>	European Union	Europe	01 October 2000
<a href="#">FTA Mexico-Peru</a>	Peru	Latin America and the Caribbean	01 February 2012

### In Process of Entry into Force

Name of the Agreement	Country	Region
<a href="#">Comprehensive and Progressive Agreement for Trans-Pacific Partnership</a>	Australia Brunei Darussalam Canada Chile Japan Malaysia Mexico New Zealand Peru Singapore Vietnam	Pacific



## In Negotiation

Name of the Agreement	Country	Region
<a href="#">FTA Mexico-South Korea</a>	South Korea	Asia
<a href="#">FTA Mexico-Jordan</a>	Jordan	Asia
<a href="#">FTA Mexico-Turkey</a>	Turkey	Europe
<b>Modernisation</b> <a href="#">FTA Mexico-UE</a>	European Union	Europe
<a href="#">FTA NAFTA</a>	United States of America	North America



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